GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1533
ANSWERED ON:26.07.2016
Loans for FCI
Rajendran Shri S.

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government has invited the scheduled banks for raising short term loans for Food Corporation of India (FCI);
(b) if so, the details thereof and the reasons for raising the said loans; and
(c) the mechanism for repayment of the said loans?

Answer

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)
(a) & (b): Food Corporation of India (FCI) is raising short term loans (STL) from scheduled banks to mobilize funds for meeting its funds requirement during a financial year for the working capital requirements to finance procurement operations and maintain buffer stocks. Based on quarterly/monthly Plan for release of food subsidy by the Government, FCI prepares monthly cash flow statement. When funds requirement is more than the Cash Credit Limit (CCL) of Rs.54,495 crore available to FCI, STL is raised to meet the cash flow mismatch.
(c): FCI made the repayment of STL loans out of monthly/ quarterly subsidy instalments received from the Government and by availing another short term loan, if subsidy instalment amount is insufficient to repay the short term loan.
****